

**Senate Bill No. 70**

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Passed the Senate September 11, 2007

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*Secretary of the Senate*

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Passed the Assembly September 11, 2007

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2007, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 13401 of, and to add Article 6.5 (commencing with Section 13453), and Article 6.7 (commencing with Section 13473), to Chapter 14 of Division 5 of, the Business and Professions Code, to add Article 5 (commencing with Section 39870) to Chapter 1 of Part 23.5 of Division 3 of Title 2 of the Education Code, and to add Section 43861 to the Health and Safety Code, relating to biodiesel.

## LEGISLATIVE COUNSEL'S DIGEST

SB 70, Florez. Biodiesel.

Existing law generally imposes restrictions upon the sale of nonconforming fuel products. Existing law exempts developmental engine fuels authorized by the Department of Food and Agriculture from these restrictions, as specified.

This bill would specify standards for biodiesel and biodiesel blends, and for renewable diesel and renewable diesel blends, as defined. The bill would provide that no person shall sell at retail to the general public, specified biodiesel fuel from any place of business in this state unless there is displayed in a conspicuous place on the dispensing apparatus at least one sign stating the concentration of biodiesel, as specified.

Because a violation of the provisions relating to petroleum is a misdemeanor, this bill would create a new crime, thereby imposing a state-mandated local program.

Existing law generally regulates schoolbuses for transportation purposes.

This bill would authorize school districts to use a biodiesel fuel blend to operate all of the diesel-powered schoolbuses under their control if certain conditions are met.

Existing law generally regulates biodiesel and biodiesel blend fuels.

This bill would authorize the use of a biodiesel fuel blend to operate diesel-powered vehicles owned or leased by the State of California, by a city, county, or city and county, or by a mass transit district, if certain conditions are met.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Section 13401 of the Business and Professions Code is amended to read:

13401. (a) “Sell” or any of its variants means attempt to sell, offer for sale or assist in the sale of, permit to be sold or offered for sale or delivery, offer for delivery, trade, barter, or expose for sale.

(b) “Manufacturer” means manufacturer, refiner, producer, or importer.

(c) “Petroleum products” means gasoline, diesel fuel, liquefied petroleum gas only when used as a motor fuel, kerosene, thinner, solvent, liquefied natural gas, pressure appliance fuel, or white gasoline, or any motor fuel, or any oil represented as engine lubricant, engine oil, lubricating or motor oil, or any oil used to lubricate transmissions, gears, or axles.

(d) “Barrel,” when applied to petroleum products, consists of 42 gallons.

(e) “Oil” means motor oil, engine lubricant, engine oil, lubricating oil, or oils used to lubricate transmissions, gears, or axles.

(f) “Motor oil” means engine oil, engine lubricant, or lubricating oil.

(g) “Gasoline” means a volatile mixture of liquid hydrocarbons, generally containing small amounts of additives, suitable for use as a fuel in spark-ignition internal combustion engines.

(h) “Engine fuel” means any liquid or gaseous matter used for the generation of power in an internal combustion engine or fuel cell. “Motor fuel” means “engine fuel” when that term is used in this chapter.

(i) “Motor vehicle fuel” means any product intended for consumption in an internal combustion engine or fuel cell to

produce the power to self-propel a vehicle designed for transporting persons or property on a public street or highway.

(j) “Diesel fuel” means any petroleum product offered for sale which meets the standards prescribed for diesel fuel by this chapter.

(k) “Kerosene” means any petroleum product offered for sale which meets the standards prescribed for kerosene by this chapter.

(l) “Fuel oil” means any petroleum product offered for sale which meets the standards prescribed for fuel oil by this chapter.

(m) “Automotive spark-ignition engine fuel” means any product used for the generation of power in a spark-ignition internal combustion engine.

(n) “Compression-ignition engine fuel” means any product used for the generation of power in a compression-ignition internal combustion engine.

(o) “Gasoline-oxygenate blend” means a fuel consisting primarily of gasoline along with a substantial amount of one or more oxygenates. For purposes of this section, “substantial amount” means more than 0.35 mass percent oxygen or, if methanol is the only oxygenate, more than 0.15 mass percent oxygen.

(p) “Oxygenate” means an oxygen-containing, ashless, organic compound such as an alcohol or ether, which can be used as a fuel or fuel supplement.

(q) “Developmental engine fuel” means any experimental automotive spark-ignition engine fuel or compression-ignition fuel which does not meet current standards established by this chapter but has characteristics which may lead to an improved fuel standard or the development of an alternative fuel standard.

(r) “Hydrogen” means a fuel composed of the chemical hydrogen intended for consumption in an internal combustion engine or fuel cell.

(s) “Biodiesel” means any fuel product derived from vegetable oils or animal fats offered for sale that meets the standards prescribed for biodiesel in this chapter.

(t) “Biodiesel blend” means any fuel product that is a blend of diesel fuel and biodiesel offered for sale that meets the standards prescribed for biodiesel blend in this chapter.

(u) “Renewable diesel” means any product offered for sale that meets the standards prescribed for renewable diesel in this chapter.

(v) “Renewable diesel blend” means any fuel product that is a blend of diesel fuel and renewable diesel offered for sale that meets the standards for renewable diesel blend in this chapter.

SEC. 2. Article 6.5 (commencing with Section 13453) is added to Chapter 14 of Division 5 of the Business and Professions Code, to read:

Article 6.5. Biodiesel

13453. For the purposes of this article, the following definitions shall apply:

(a) “Biodiesel” means a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100, and meeting the requirements of ASTM International D-6751, formerly the American Society for Testing and Materials (ASTM) D-6751.

(b) “Biodiesel blend” means a blend of biodiesel with petroleum-based diesel fuel, designated BXX, where XX represents the volume of percentage of biodiesel fuel in the blend.

13454. (a) Biodiesel used as a blend stock shall meet the specifications in the most recent version of ASTM D-6751.

(b) Biodiesel blends shall meet the following requirements:

(1) Finished blends B99 and below shall meet the specifications in ASTM D-975.

(2) Finished blends B99 and below which do not meet the specifications in ASTM D-975 shall be deemed eligible to qualify as developmental engine fuels under Section 13405 without submission of an application to the department, provided subdivisions (b) and (c) of Section 13405 are complied with, and reporting requirements of the department are complied with.

(c) This section shall become inoperative when pertinent fuel specifications are established by a recognized consensus organization or standards writing organization, such as the American Society for Testing and Materials (ASTM) or the Society of Automobile Engineers (SAE). Upon the establishment of specifications, the department shall adopt them by reference, in accordance with Section 13450, except that no specification shall be less stringent than what is required by any other provision of state law.

13455. (a) In addition to any other labeling requirements established by the department, any person selling finished blends containing 20 percent biodiesel may display on the dispensing apparatus in a conspicuous place a sign stating “Biodiesel Blend 20.”

(b) In addition to any other labeling requirement established by the department, no person shall sell at retail to the general public any biodiesel fuel B21 to B100 from any place of business in this state unless there is displayed in a conspicuous place on the dispensing apparatus at least one sign stating the specific volume concentration of biodiesel.

SEC. 3. Article 6.7 (commencing with Section 13473) is added to Chapter 14 of Division 5 of the Business and Professions Code, to read:

#### Article 6.7. Renewable Diesel

13473. For the purposes of this article, the following definitions shall apply:

(a) “Renewable diesel” means a fuel which meets the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under Section 211 of the federal Clean Air Act, which is not a mono-alkyl ester, which is intended for use in engines that are designed to run on conventional, petroleum derived diesel fuel, and which is derived from nonpetroleum renewable resources, including, but not limited to, animal wastes, including poultry fats and poultry wastes, and other waste materials, or municipal solid waste and sludges and oils derived from wastewater and the treatment of wastewater.

(b) “Renewable diesel blend” means a blend of renewable diesel with petroleum-based diesel fuel, designated RXX, where XX represents the volume of percentage of renewable diesel fuel in the blend.

13474. Renewable diesel used as a blend stock and renewable diesel blends shall meet the specifications in the most recent version of ASTM D-975, except that no specification shall be less stringent than what is required by any other provision of state law. Upon revision of ASTM D-975 by ASTM International, or the adoption of standards specific to renewable diesel by ASTM International, the department shall adopt them by reference, in

accordance with Section 13450, except that no specification shall be less stringent than what is required by any other provision of state law.

13475. In addition to any other labeling requirement established by the department, any person selling finished blends containing 20 percent renewable diesel may display on the dispensing apparatus in a conspicuous place, a sign stating “Renewable Diesel Blend 20.”

SEC. 4. Article 5 (commencing with Section 39870) is added to Chapter 1 of Part 23.5 of Division 3 of Title 2 of the Education Code, to read:

#### Article 5. Schoolbus Fuel

39870. (a) (1) A school district may use a biodiesel fuel blend greater than B20 to operate all of the diesel-powered schoolbuses under its control if all of the following conditions are met:

(A) Biodiesel blend fuel is cost competitive and readily available, as determined by the school district.

(B) The State Air Resources Board finds and determines in a public hearing that the use of biodiesel fuel will not result in any increase in an air pollutant or toxic air contaminant, based on a full life cycle analysis of those emissions which quantifies emissions from the production, distribution, sale, and use of the fuel.

(C) The use of the fuel will not result in the voiding of any warranties for engines or air pollution control equipment.

(2) If a school district contracts with another government entity or private entity to provide transportation services for any of its pupils, paragraph (1) shall apply to that contract. However, this requirement shall apply only to contracts entered into on or after January 1, 2008.

(b) The State Air Resources Board authorized pursuant to Section 39510 of the Health and Safety Code shall implement and administer this section.

SEC. 5. Section 43861 is added to the Health and Safety Code, to read:

43861. (a) The State of California, a city, county, or city and county, or a mass transit district may use a biodiesel blend greater

than B20 to operate vehicles it owns or leases if all of the following conditions are met:

(1) Biodiesel blend fuel is cost competitive and readily available, as determined by the state, regional, or local agency.

(2) The State Air Resources Board finds and determines in a public hearing that the use of biodiesel fuel will not result in any increase in an air pollutant or toxic air contaminant, based on a full life cycle analysis of those emissions which quantifies and takes into account the emissions from the production, distribution, sale, and use of the fuel.

(3) The use of the fuel will not result in the voiding of any warranties for engines or air pollution control equipment.

(b) If a blend of biodiesel is used pursuant to subdivision (a), that blend may contain more than 20 percent nonpetroleum constituents.

(c) The State Air Resources Board shall establish a program that implements and monitors the requirements of this section.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.















Approved \_\_\_\_\_, 2007

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*Governor*